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TD/II/WG.III/L.1
16 February 1968

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United Nations Conference on Trade and Development

WORKING GROUP III
Agenda item 9(g)

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

List of documents relevant to the work of the Working Group III

Note by the UNCTAD Secretariat

Final Act of the First Conference, Annex A.I.2 - Principles relating to Transit Trade of Land-Locked Countries.

Final Act of the First Conference, Annex A.VI.1 - Preparation of a Convention relating to the Transit Trade of Land-Locked Countries.

TD/TRANSIT/9 and 10 and Add.1 - Convention on Transit Trade of Land-Locked countries 1965, Final Act of the UN Conference on Transit Trade of Land-Locked countries and Resolutions adopted by the Conference.

A/6023/Rev.1 - Report of the Trade and Development Board, Part Two, Report on the Board's second session, Chapter VI, UN Conference on Transit Trade of Land-Locked countries. (The Board decided to postpone the consideration of this item.)

A/6315/Rev.1 - Report of the Trade and Development Board, Part One, Report on the Board's third session, Chapter V, consideration of the results of the UN Conference on Transit Trade of Land-Locked countries. (The Board after consideration of Convention on Transit Trade of Land-Locked countries in the Sessional Committee took note of the report, Final Act and the two resolutions adopted by the UN Conference on Transit Trade of Land-Locked countries).

TD/17 - Special measures to be taken in favour of the least developed among the developing countries aimed at expanding their trade and improving their economic and social development. Report by the UNCTAD Secretariat, in particular Part II, Chapter E - Invisibles, including the Problems of Land-Locked Countries.

- (paragraph 51 on land-locked position as one of the factors (inhibiting the expansion of trade and economic development.
- (paragraph 52 on the Convention on Transit Trade of Land-locked (Countries.
- (paragraph 53 on possible special measures in favour of the least (developed land-locked countries.

TD/38 - Charter of Algiers, Part Two, Programme of Action, Chapter E, General Trade Policy Issues, Section 6, Special Problems of the Land-locked Countries.

TD/II/WG.III/L.2 - State of ratifications of the Convention on Transit Trade of Land-locked Countries, 1965 - Note by the UNCTAD Secretariat.

TD/II/WG.III Conf.Room Paper 1 - Excerpts from the statements made in the plenary meetings on the special problems of the land-locked countries.

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WORKING GROUP III
Agenda item 9(g)

SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

State of Ratifications of the Convention on Transit Trade of Land-Locked Countries, 1965

Note by the UNCTAD Secretariat

1. The Convention on Transit Trade of Land-Locked States was adopted by the UN Conference on Transit Trade of Land-locked Countries (7 June 1965 to 8 July 1965, New York).

2. The Convention was open for signature until 31 December 1965 and was signed by 29 States (see annex).

3. The Convention is open for ratification by signatory States without any time limit (five of the 29 signatory States ratified the Convention: Czechoslovakia, Hungary, Nepal, Yugoslavia and Zambia).

4. The Convention is open without time limit for accession by non-signatory States belonging to any of the four categories mentioned in Article 17 of the Convention, i.e. States Members of the UN, States Members of any of the specialized agencies, States Parties to the Statute of the International Court of Justice, any other State invited by the General Assembly of UN to become a Party to the Convention. (Six non-signatory States acceded to the Convention: Chad, Malawi, Mali, Mongolia, Niger, Nigeria).

5. Pursuant to the provisions of Article 20, the Convention enters into force on the thirtieth day following the date of deposit of the instruments of ratification or accession of at least two land-locked states and two transit states having a sea coast. As shown in the annex, the instruments of ratification or accession have been deposited by two transit states having a sea coast (Nigeria and Yugoslavia) and by nine land-locked states. (Chad, Czechoslovakia, Hungary, Laos, Malawi, Mali, Mongolia, Nepal, Niger and Zambia).

6. The Convention entered into force on 9 June 1967.

7. The data on the ratifications of, or accessions to, the Convention are given as of 16 February 1968.

Convention on Transit Trade of Land-Locked States

Done at New York on 8 July 1965

Entry into force: 9 June 1967, in accordance with article 20
Registration: 9 June 1967, No. 8641

Text: TD/TRANSIT/9

State	Signature	Ratification, accession (a)
Afghanistan	8 July 1965	
Argentina	29 December 1965	
Belgium	30 December 1965	
Bolivia	29 December 1965	
Brazil	4 August 1965	
Byelorussian SSR	28 December 1965	
Cameroon	10 August 1965	
Central African Republic	30 December 1965	
Chile	20 December 1965	
Chad		2 March 1967 (a)
Czechoslovakia	10 December 1965	8 August 1967
Federal Republic of Germany	20 December 1965	
Holy See	30 December 1965	
Hungary	30 December 1965	20 September 1967
Italy	31 December 1965	
Laos	8 July 1965	29 December 1967
Luxembourg	28 December 1965	
Malawi		12 December 1966 (a)
Mali		11 October 1967 (a)
Mongolia		26 July 1966 (a)
Nepal	9 July 1965	22 August 1966
Netherlands	30 December 1965	
Niger		3 June 1966 (a)
Nigeria		16 May 1966 (a)

Convention on Transit Trade of Land-Locked States

State	Signature	Ratification, accession (a)
Paraguay	23 December 1965	
Rwanda	23 July 1965	
San Marino	23 July 1965	
Sudan	11 August 1965	
Switzerland	10 December 1965	
Uganda	21 December 1965	
Ukrainian SSR	31 December 1965	
Union of Soviet Socialist Republics	28 December 1965	
United States of America	30 December 1965	
Yugoslavia	8 July 1965	10 May 1967
Zambia	23 December 1965	2 December 1966

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WORKING GROUP III
Agenda item 9(g)

SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

State of ratifications of the Convention on Transit Trade of Land-Locked Countries, 1965

Note by the UNCTAD Secretariat

Corrigendum

Page 1, para.3: Substitute "six" for "five" in the second line:

Add "Laos" between "Hungary" and "Nepal" in the third line

Page 1, para.5: Substitute "ten" for "nine" in the sixth line.

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United Nations Conference on Trade and Development

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WORKING GROUP III

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Statement by the Chairman of Working Group III, Mr. Mohammad Ali Aghassi (Iran) at the first meeting of the Working Group held on 2[illegible] February 1968 1/

1. At the outset, I wish to thank most warmly the distinguished representatives of India, Afghanistan and Bulgaria for having proposed and seconded my name to the office of Chairman. May I also express the gratitude of the delegation of Iran to this distinguished Working Group for the honour it has accorded my country.

2. The decision of the Conference to allocate agenda item 3(g) - Special Problems of the Land-locked Countries - to Working Group III, may be taken as an indication of the importance which the Conference attaches to this problem. The task of our Group will, in my opinion, consist of the following:- firstly, to identify some of the problems which impede the promotion of trade and economic development of the land-locked countries; secondly, to consider some measures designed to overcome the difficulties involved; and thirdly, to formulate our conclusions and/or recommendations for submission to the Conference.

3. The special problems of the land-locked countries are not new; they are as old as the countries themselves. However, in the past several decades these problems have assumed increasing importance, requiring special international attention for their solution. The urgency of the problem may be viewed within the context of several inter-related and dynamic factors: (a) the independence recently acquired by many of the developing land-locked States has placed upon them the responsibility for the social and economic development of their countries in order to satisfy, at least to some extent, the needs and rising expectations of their growing populations; (b) the revolutionary progress made in international communications has highlighted the growing disparity between the rich lands and the poor lands and has awakened the consciousness among the latter for accelerated social and economic development; and (c) the increasing inter-dependence of the world economy and the growing needs of the developing land-locked countries for a greater share in international trade has intensified the problems of those countries.

1/ Circulated at the request of the Working Group.

4. The problems before the Working Group may be conceived as composed of two main aspects:

(i) The first aspect is the traditional one, and it is of a rather legal character. As enunciated by the First Conference in Principle One related to Transit Trade, this aspect concerns the recognition of the right of each land-locked country, whether developed or developing, to free access to the sea. Its antecedents go back as far as 1921, to the Barcelona Convention of Freedom of Transit which was concluded under the auspices of the League of Nations. As the distinguished representatives are aware, in 1957 the United Nations General Assembly in its resolution 1028 (XI) invited Member States "to give full recognition to the needs of land-locked Member States in the matter of transit trade and, therefore, to accord them adequate facilities in forms of International law and practice in this regard."

It may also be recalled that the action taken by UNCTAD in 1964 took note of the ECAFE resolution 51 (XX) which the Commission had adopted on the subject the previous year. The First UNCTAD dealt with this aspect of the problem and unanimously adopted decisions which culminated, in 1965, in the Convention of Transit Trade of Land-locked States. The Convention entered into force in 1967, thanks to the ratification of ten land-locked and two transit countries. The Convention is open for accession without time limit and the present state of ratification is given in the Secretariat document TD/II/WG.III/L12 and Corr.1, which is now before the Working Group;

(ii) The second aspect of the problem, which is economic in nature within the purview of the general problems of economic development of the developing countries, was stressed at the First Conference by a number of delegations. That Conference unanimously considered, inter alia, that for the promotion of economic development of the land-locked States, it is essential to provide facilities to enable them to overcome the effects of their land-locked situation on their trade". It may also be noted that since the First Conference, some of the regional economic commissions and sub-regional economic organizations of the developing countries have initiated studies on the subject.

5. As for the documentation before this Working Group, we have a number of documents listed by the Secretariat in document TD/II/WG.III/L.1. At the plenary meetings of the Conference, some delegations as well as the Secretary-General of UNCTAD have made statements relating to the agenda item 9(g). For the discussion in our Group, the Secretariat has prepared a document (TD/II/WG.III/Conf.Room Paper No.1) which contains

the most important excerpts related to the item. Also of interest to us will be the statements made at the plenary meetings in connexion with the problem of the least developed countries. The relevant excerpts are included in another document compiled by the Secretariat (TD/II/WG.II/Conf.Room Paper No.3) which is available to the delegations. The list also includes the Charter of Algiers (document TD/38) which, in Part Two, Chapter E, Section 6, calls for the establishment of a group of experts "in order to carry out a comprehensive examination of the special problems involved in the promotion of trade and economic development of the land-locked developing countries." May I also draw attention to the Secretariat Paper TD/17, on special measures to be taken in favour of the least developed among the developing countries. Section E of this document draws particular attention to the needs of land-locked countries.

Organization of Work

At this juncture it might be useful to have a short discussion on the organization of our work. As the distinguished representatives are aware, the main committees and working groups of the Conference are expected to complete their work by 16 March at the latest, so that the plenary may take up their reports during the week of 18 March. Furthermore, there is a limitation on the number of meetings each sessional body may have in the time remaining to us.

Working Group III has been allocated 8 meetings, the first of which we are holding now. We may expect to have a second meeting on Friday afternoon of this week, three or four meetings during the week of 4 March and the remaining three or two meetings during the week of 11 March. Due to the heavy demand for conference room space on the part of the main committees, working groups, contact groups of each committee as well as of the regional groups, it may be necessary for our Working Group to meet on a few occasions at night.

Under the circumstances, I would venture to suggest that we should take note of the statements already made in the plenary meetings on the subject before us, so that our general discussion may concentrate on the recommendations which we would submit to the Conference. Of course, the distinguished delegations will be free to make any additional statements as they wish. However, in order to make the best use of the little time at our disposal, you might wish to consider whether, in our general discussion, we should confine ourselves, whenever possible, to statements on the recommendations which we would make to the Conference at the conclusion of our work.

It would be helpful if we could limit our general discussion to two or, at the most, three meetings, and if delegations wishing to make statements could inscribe their names with the Secretariat as soon as possible.

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WORKING GROUP III

Statement by the Chairman of Working Group III,
Mr. Mohammad Ali Aghassi (Iran) at the first meeting
of the Working Group held on 28 February 1968.

CORRIGENDUM

Page 2, paragraph 4, line 12:	Replace "in forms of International law and practice" by "in terms of international law and practice".
Page 2, paragraph 4, lines 14 and 15:	Replace "the previous year" by "previously".
Page 2, paragraph 4, line 20:	Replace "TD/II/W.G.III/L.12" by "TD/II/W.G.III/L.2".
Page 2, paragraph 4, line 24:	Insert " (quotation mark) between "that" and "for". Insert "the" between "of" and "economic".
Page 2, paragraph 4, line 26:	Replace "situation" by "position".

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WORKING GROUP III
Agenda item 9 (g)

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Proposal of the delegation of Bolivia[1/]

The delegation of Bolivia, realizing that the Working Group has not much time left for finishing its work, wishes to present forthwith its specific views on the recommendations which it considers that the Second Conference should adopt on the subject of special measures in favour of the land-locked countries. It is not our intention to make a general statement on this item, as our basic position was expressed in the general debate of the Conference.

We simply wish to reiterate that, as far as Bolivia in particular is concerned, its situation as a land-locked country presents a number of legal, political and economic aspects which it seems opportune to describe. We have already stated that our country, although it originally possessed a sea coast, became land-locked through unfortunate circumstances which it would be inappropriate to go into now. For this reason, we wish to point out that Bolivia's attitude in regard to the problem of its land-locked situation, has two basic facets. One involves action leading to a solution of the basic problem by obtaining a sea-port of its own and the second involves pragmatic action leading to an immediate result in the framework of international bilateral, regional and multilateral co-operation. In view of the character of the work of this Conference, my delegation is pursuing the second line of action. We are doing so, as we are fully convinced that the objective of the first line of action is in no way incompatible with a search for immediate and practical solutions.

1/ The attached proposals were made in a statement by the representative of Bolivia at the second meeting of the Working Group. The representative of Bolivia requested, and the Working Group agreed, that the text of his statement should be circulated as a working paper of the Group.

We also believe that the latter are no substitute for Bolivia's basic aspiration to find the fundamental solution to which I have referred and which would be attained through machinery and instrumentr other than those which are being considered by this Conference.

With this brief introduction, Mr. Chairman, I wish to submit for consideration by the Working Group a text which might serve as a basis for discussion. I again emphasize that the proposals we are making should, we feel, be adopted as recommendations of the Second Conference, for implementation in different quarters and at different levels.

The land-locked countries are faced with special problems which are hampering their economic development and the expansion of their trade. Intensive international co-operation must be encouraged if these problems are to be overcome. This co-operation may be composed of three equal elements: financial and technical assistance provided by the developed countries and by international organizations, bilateral arrangements and consultations between land-locked countries and countries of transit and regional and sub-regional co-operation programmes. I recognize that we are only taking the first step in this field and that, consequently, we are perhaps unable clearly to identify the measures which must be taken. However, it is clear that the time has come to take concerted international action in favour of the land-locked countries. Adoption by the Conference of the ideas we are putting forward may be an important contribution to the gradually increasing efforts to develop a genuine strategy in favour of the land-locked countries.

Proposals

I. The transit countries and the land-locked countries should strengthen their systems of consultation, whether bilaterally or under regional or sub-regional co-operation programmes, in order jointly to examine the problems which the land-locked countries face in expanding their trade and furthering their economic development, and should seek solutions adapted to the nature of each particular case, by concluding new agreements or improving existing ones.

II. Transit countries and land-locked countries should likewise hold consultations and negotiations with a view to granting or extending, for the benefit of the latter countries, facilities for their transit trade, giving special attention to the following points:

(a) Granting free zones in transit ports on rivers or seas;

(b) Improving port installations and services;

(c) Facilitating the establishment by the land-locked countries of their own means of transport and communications, such as railways, oil, gas and multipurpose pipelines, etc.;

(d) Progressively eliminating administrative and other formalities affecting the transit trade of land-locked countries;

(e) Jointly executing programmes and projects for the establishment, expansion and/or improvement of means of transport and port installations serving the transit trade of the land-locked countries.

III. Without prejudice to other action and methods of a multilateral character, transit countries, land-locked countries and other countries within each region should study and apply special methods of financial and technical co-operation for the benefit of the land-locked countries, to ensure a greater participation by them in regional and international trade.

IV. The developed countries should, where appropriate, give special financial and technical assistance to the land-locked developing countries by means of bilateral agreements or through the international organizations, especially by carrying out programmes and projects designed to overcome the obstacles resulting from the situation of the latter countries which hamper the expansion of their trade and their economic development. Such assistance should be offered on flexible terms and in considerable volume.

V. Through the exchange of experience and information, the developed land-locked countries might lend special assistance to the developing land-locked countries in working out co-operative international solutions and courses of action.

VI. The UNCTAD secretariat should establish one or more groups of experts to prepare studies on the various special trade and development problems of the land-locked countries, and make recommendations on international action that could be taken with a view to solving those problems. In the first stage, these studies could include the following aspects:

(a) The present situation with regard to existing international legislation on free transit and other subjects of concern to the land-locked countries, including bilateral and multilateral agreements and treaties;

(b) Legislation, administrative practices and other provisions of an internal nature relating to the transit trade of the land-locked countries, with special reference to the following: (i) legislation, regulations and other provisions relating to supervision, administrative formalities, inspection, etc. in respect of goods in transit; (ii) provisions relating to the levying of fiscal, customs and other charges on goods in transit; (iii) regulations, administrative practices and other provisions applying to ships, vehicles, railway carriages and other means of transport of the land-locked countries in the countries of transit;

(c) Special problems that in general hamper the expansion of trade and the promotion of the economic development of the developing land-locked countries.

VII. The international financing agencies at both the world and regional levels should provide financial assistance on a priority basis to the developing land-locked countries for the execution of programmes and projects aimed at solving the problems inherent in their situation which hamper their trade and development, particularly those relating to the improvement of their transport infrastructure with the object of facilitating their access to shipping routes.

VIII. There should be established in the Committee on Shipping of the Trade and Development Board a standing sub-committee or working group to study the special questions relating to the trade and development of the developing land-locked countries, and that body should recommend to other UNCTAD bodies or other United Nations organs, and to the regional and sub-regional organizations, specific measures of co-operation for adoption.

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Agenda item 9 (g)

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Proposals of the delegation of Bolivia[1/]

I. The transit countries and the land-locked countries should strengthen their systems of consultation, whether bilaterally or under regional or sub-regional co-operation programmes, in order jointly to examine the problems which the land-locked countries face in expanding their trade and furthering their economic development, and should seek solutions adapted to the nature of each particular case, by concluding new agreements or improving existing ones.

II. Transit countries and land-locked countries should likewise hold consultations and negotiations with a view to granting or extending, for the benefit of the latter countries facilities for their transit trade, giving special attention to the following points:

(a) Granting free zones in transit ports on rivers or seas;

(b) Improving port installations and services;

(c) Facilitating the establishment by the land-locked countries of their own means of transport and communications, such as railways, oil, gas and multipurpose pipelines, etc.;

(d) Progressively eliminating administrative and other formalities affecting the transit trade of land-locked countries;

(e) Jointly executing programmes and projects for the establishment, expansion and/or improvement of means of transport and port installations serving the transit trade of the land-locked countries.

III. Without prejudice to other action and methods of a multilateral character, transit countries, land-locked countries and other countries within each region should study and apply special methods of financial and technical co-operation for the benefit of the land-locked countries, to ensure a greater participation by them in regional and international trade.

1/ The attached proposals were made in a statement by the representative of Bolivia at the second meeting of the Working Group. The representative of Bolivia requested, and the Working Group agreed, that the text of the proposals should be circulated as a working paper of the Group.

IV. The developed countries should, where appropriate, give special financial and technical assistance to the land-locked developing countries by means of bilateral agreements or through the international organizations, especially by carrying out programmes and projects designed to overcome the obstacles resulting from the situation of the latter countries which hamper the expansion of their trade and their economic development. Such assistance should be offered on flexible terms and in considerable volume.

V. Through the exchange of experience and information, the developed land-locked countries might lend special assistance to the developing land-locked countries in working out co-operative international solutions and courses of action.

VI. The UNCTAD secretariat should establish one or more groups of experts to prepare studies on the various special trade and development problems of the land-locked countries, and make recommendations on international action that could be taken with a view to solving those problems. In the first stage, these studies could include the following aspects:

(a) The present situation with regard to existing international legislation on free transit and other subjects of concern to the land-locked countries, including bilateral and multilateral agreements and treaties;

(b) Legislation, administrative practices and other provisions of an internal nature relating to the transit trade of the land-locked countries, with special reference to the following: (i) legislation, regulations and other provisions relating to supervision, administrative formalities, inspection, etc. in respect of goods in transit; (ii) provisions relating to the levying of fiscal, customs and other charges on goods in transit; (iii) regulations, administrative practices and other provisions applying to ships, vehicles, railway carriages and other means of transport of the land-locked countries in the countries of transit;

(c) Special problems that in general hamper the expansion of trade and the promotion of the economic development of the developing land-locked countries.

VII. The international financing agencies at both the world and regional levels should provide financial assistance on a priority basis to the developing land-locked countries for the execution of programmes and projects aimed at solving the problems inherent in their situation which hamper their trade and development, particularly those relating to the improvement of their transport infrastructure with the object of facilitating their access to shipping routes.

VIII. There should be established in the Committee on Shipping of the Trade and Development Board a standing sub-committee or working group to study the special questions relating to the trade and development of the developing land-locked countries, and that body should recommend to other UNCTAD bodies or other United Nations organs, and to the regional and sub-regional organizations, specific measures of co-operation for adoption.

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Draft resolution submitted by Afghanistan, Bolivia, Chad, Laos, Lesotho, Mali, Nepal, Upper Volta, Zambia

The Conference,

Recognizing that:

(a) the land-locked position of many developing countries is a factor seriously inhibiting the expansion of trade and economic development of these countries,

(b) by reason of their land-locked position these developing countries may be seriously hampered in taking advantage of some of the international measures envisaged to support the trade expansion and economic development efforts of all developing countries,

(c) the special problems involved in the promotion of the trade and economic development of the land-locked developing countries, in particular the high cost of transportation, the poor state of infrastructure and other factors inhibiting the execution of their trade expansion and economic development programmes, call for special attention and require special solutions,

Convinced that the international community, when embarking upon a comprehensive policy of cooperation for development, should pay due attention to the special handicaps of the land-locked developing countries,

Guided by the Principles relating to Transit Trade of Land-locked Countries which were adopted without dissent by the first session of UNCTAD (Final Act, Annex A.I.2),

Recalling that, on the basis of these Principles, the United Nations Conference on Transit Trade of Land-locked Countries adopted on 8 July 1965 the Convention on Transit Trade of Land-locked States,

Noting that the Convention entered into force on 9 June 1967 but so far has been ratified or acceded to by only two transit States having a sea-coast,

Noting further that the Convention is open for ratification or accession without any time limit,

Reaffirming its conviction that, for the promotion of the trade and economic development of the land-locked developing countries, it is essential to accord to them adequate transit facilities in terms of international law and practice to enable them to overcome the effects of their land-locked position on their trade and economic development,

Noting that, within the framework of some United Nations regional economic commissions and some regional and sub-regional economic groupings of developing countries, detailed studies of certain important aspects of the special problems of the land-locked developing countries of the regions or sub-regions concerned have been initiated with a view to contributing to their solution,

1. Recognizes that the land-locked developing countries, in view of their special problems mentioned in the preamble of this resolution, deserve special treatment on the lines of that to be accorded to the least developed among the developing countries,

2. Recommends that the appropriate international institutions and the Governments of the developed countries, in their financial and technical assistance programmes in the field of transport and communications, should accord priority attention to the special needs of the land-locked developing countries in extending adequate financial and technical assistance to the projects designed for the development and improvement of transport and communications infrastructure needed by these countries, in particular of the transport modes and facilities most convenient to them, including joint projects for the establishment, expansion and/or improvement of transport and communications facilities serving the transit trade of the land-locked countries,

3. Calls on transit countries to extend their fullest possible co-operation to the formulation and execution of the projects mentioned in the preceding paragraph,

4. Invites the international financial institutions:

(a) to extend to the land-locked developing countries soft term and interest-free loans with a view to assisting them in overcoming the consequences of their higher transportation costs,

(b) to consider the possibility of establishing a special fund designed to subsidize the additional higher transport costs incurred by the land-locked developing countries in so far as these costs result in their higher production costs and lower competitive position,

5. Recommends that transit countries should enter into consultations and negotiations with the respective land-locked developing countries, whether bilaterally or on a regional or sub-regional basis, with a view to examining jointly the special difficulties which the land-locked developing countries face in the promotion of their trade and economic development, and concluding agreements designed to overcome such difficulties in accordance with the nature of each particular case, paying special attention to the facilities requested by the land-locked developing countries for their transit trade, such as:-

- providing adequate and convenient inland transport possibilities as well as warehousing, handling and other port installations and services,
- facilitating the use by the land-locked countries of the most convenient transit routes and transport means, such as highways, railways, inland waterways, ropeways, pipelines and other communication facilities, including the use of their own transport equipment and, where appropriate, the establishment of their own transport facilities,
- providing, for the convenience of traffic in transit, in the transit ports or transhipment points defined areas where goods consigned from or to the land-locked countries could be stored with the simplest possible customs formalities,

- simplifying administrative and other formalities, and eliminating the practice of export and import licences, affecting the transit trade of the land-locked countries,
- granting with regard to tariffs and charges on the transit traffic the most favourable treatment applied to the transport of goods of the transit country concerned and satisfying to the maximum possible extent the needs of the land-locked developing countries for a longer-term stabilization of such tariffs and charges,

6. Recommends that the Governments of countries in which the conference shipping lines and insurance companies have their seat should bring to the attention of the said lines and companies the desirability of according special treatment in their tariff policies to the overseas shipments of the land-locked developing countries in view of their special difficulties,

7. Recommends that all countries within the individual regions, whether land-locked, transit or other coastal countries, without prejudice to world-wide actions, should study and apply special methods of financial and technical co-operation designed to ensure a greater participation of the land-locked developing countries in regional and international trade,

8. Calls on the developed land-locked countries, through the exchange of information, experience, training and technical know-how, to lend special assistance to the land-locked developing countries in working out suitable international solutions to the special problems of the latter.

9. Urges all States invited to become parties to the 1965 Convention on Transit Trade of Land-locked States to ratify the Convention, or accede to it, and to make it effective at the earliest possible date,

10. Requests

(a) the Secretary-General of UNCTAD, in co-operation with the appropriate bodies of the United Nations system which have competence in the particular fields concerned, to undertake studies of the different aspects of the special problems of the land-locked developing countries, including the field of international law, national legislation and practice, various possibilities of international negotiations, transport tariff techniques (e.g. through rates), transit operations (e.g. roll-on roll-off facilities) and other related matters;

(b) the regional economic commissions concerned with the developing regions and the regional and sub-regional economic groupings of the developing countries to continue to pay special attention in their work programmes to the problems peculiar to the land-locked countries of their regions or sub-regions and to the transit trade difficulties and transport handicaps of these countries,

(c) the Secretary-General of UNCTAD to prepare, taking into account the work done in this field by the regional economic commissions and the regional and sub-regional economic groupings of the developing countries, with the assistance of experts familiar with the problems of both land-locked and transit countries, a comprehensive report identifying the most important special problems confronting land-locked developing countries, describing the experience gained so far in the solution of those problems and outlining further practical measures and procedures,

(d) the States members of UNCTAD, the regional economic commissions, the specialized agencies concerned, the economic groupings of the developing countries and other international organizations dealing with the subject to co-operate with the Secretary-General of UNCTAD by providing information relevant to the preparation of the studies and reports mentioned in this paragraph,

(e) the Secretary-General of UNCTAD to follow the progress made in giving effect to the recommendations made in this resolution and to report thereon in his annual reviews of international trade and economic development to be prepared in pursuance of the Trade and Development Board's resolution 19(II),

11. Recommends to the Trade and Development Board to establish a standing group of all interested land-locked, transit and other countries, both members and non-members of the Board, to study the special questions relating to the trade and development of the land-locked developing countries, to consider the studies and reports mentioned above and to prepare recommendations for the Board's consideration and action.

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WORKING GROUP III
Agenda item 3(g)

Dual distr.

SPECIAL PROBLEMS OF LAND-LOCKED COUNTRIES

Financial implications of draft resolution in document TD/II/WG.III/L.5

Note by the UNCTAD Secretariat

1. Paragraph 10(a) of the draft resolution requestes the Secretary-General of UNCTAD to undertake studies of certain specific problems of land-locked countries which are estimated to require the equivalent of 12 months work by a professional, half of which would arise as a by-product of work being carried out by the Division for Invisibles.

2. Paragraph 10(c) calls for a comprehensive report identifying the most important special problems confronting land-locked countries. It is understood that under this paragraph the problem would be approached by calling a meeting of experts from the Governments of the countries concerned. Six months of professional time would be required to prepare the report in the light of the guidelines set forth by the representatives of the Governments concerned.

3. Paragraph 11 recommends that the Trade and Development Board establish a Standing Group of all interested land-locked, transit and other countries to deal with questions relating to land-locked countries. It is assumed the Group would meet annually for a period of two weeks with two meetings a day and have 150 pages of pre-session and in-session documents.

4. Summary of financial implications:

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- paragraph 10(a) and (c) - One professional staff member P-4	20,000
- paragraph 10(c) - Ad hoc group of expert government representatives	nil
- paragraph 11 - Standing Group to meet annually for 2 weeks	26,000

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Draft amendments by Chile, India, Iran, Italy, Pakistan, Thailand to the draft resolution contained in document TD/II/WG.III/L.5

1. The title of the resolution to read:
"Special problems of the land-locked developing countries".

2. First paragraph of the preamble ("Recognizing that")
Sub-paragraphs (a) and (b) to be merged as follows:
"(a) the land-locked position of many developing countries may affect the expansion of trade and economic development of these countries and hamper them in taking advantage ..."
Sub-paragraph (c) to become (b).
In the third line the words "transportation, the poor state of infrastructure and other factors" to be replaced by "transportation due to distance from sea and poor state of transport and communications."
In the fifth line the word "solutions" to be replaced by "measures".

3. Second paragraph of the preamble ("Convinced that")
The words "the special handicaps" to be replaced by "the above mentioned special problems".

4. Third, fourth, fifth and sixth paragraphs of the preamble to be deleted

5. Seventh paragraph of the preamble ("Reaffirming its conviction")
The words "its conviction" in the first line to be deleted.
The words "adequate transit" and "in terms of international law and practice" in the third line to be deleted.

6. Eighth paragraph of the preamble ("Noting that")
The word "detailed" in the third line to be deleted.

7. Paragraph 1 of the operative part (1. "Recognizes") to be replaced by the decision to be taken by the Group of 77.

ND. 68-2764

8. Paragraph 2 of the operative part (2. "Recommends")
The word "priority" in the third line to be replaced by "appropriate".
The words "most convenient to them" in the seventh line to be replaced by "mutually acceptable to the transit and land-locked developing countries concerned".
In the eighth line after "joint projects" insert "concluded by common agreement with the transit States concerned".

9. Paragraph 3 of the operative part (3. "Calls on")
In the second line insert "joint" between "the" and "projects".

10. Paragraph 4(a) of the operative part (4. "Invites")
In the first line to insert "and transit" between "land-locked" and "developing".
To replace "soft term and interest free loans" in the first and second lines by "where necessary loans on most favourable possible terms".
In the third line to replace "their higher transportation costs" by "the higher transportation costs of the land-locked countries concerned".

11. Paragraph 5 of the operative part (5. "Recommends")
Delete lines 6 to 27 starting from "paying special attention" to the end of the paragraph.

12. Paragraph 6 of the operative part (6. "Recommends")
The words "special treatment" to be replaced by "treatment as favourable as possible".

13. Paragraph 7 of the operative part (7. "Recommends") to be deleted.

14. Paragraph 8 of the operative part (8. "calls on")
The words "working out suitable international" in the third line to be replaced by "outlining possible".

15. Paragraph 9 of the operative part (9. "Urges") to be deleted.

16. Paragraph 10 of the operative part (10. "Requests")
Subparagraph (a) to be replaced by the following:
"(a) The Secretary-General of UNCTAD to establish a group of experts to carry out a comprehensive examination of the special problems involved in the promotion of trade and economic development of the land-locked developing countries, with special reference to the high costs involved in the execution of their development programmes and trade expansion programmes."

Subparagraph (b)

The words "to continue" in the third line to be deleted.

The third and fourth lines to be replaced by the following:

"Special problems in the field of the trade expansion and economic development of the land-locked countries-members of such regional economic commissions and regional or sub-regional economic groupings".

Subparagraph (c)

Delete the words "in this field" in the second line.

Replace in the third, fourth and fifth lines the words "with the assistance of experts familiar with the problems of both land-locked and transit countries" by "and the group of experts referred to in subparagraph (a)".

Insert after "countries" in the sixth line "in the field of trade expansion and economic development".

Insert at the end of subparagraph (c) the following: "for consideration and appropriate action by the Trade and Development Board".

Subparagraph (d)

Insert after "providing" in the fourth line "to the extent possible".

17. Paragraph 11 of the operative part (11. "Recommends") to be deleted.

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SPECIAL PROBLEMS OF LAND-LOCKED COUNTRIES

Financial implications of draft amendments in document TD/II/WG.III/L.6

Note by the UNCTAD secretariat

1. Amendment 16 to paragraph 10 (a) requests the Secretary-General of UNCTAD to establish a group of experts to carry out a comprehensive examination of the special problems of land-locked developing countries which is estimated to require the equivalent of 24 expert-weeks with travel and other expenses connected with their meetings.

2. Amendment 16 to paragraph 10 (c) retains the request for a comprehensive report on the most important special problems of the land-locked countries which was estimated to require 6 months of professional work.

3. Summary of financial implications:

- paragraph 10 (a) - 24 expert-weeks	10,000
- paragraph 10 (c) - 6 months of one professional P-4	10,000

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Austria, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America: amendments to the draft resolution contained in document TD/II/WG.III/L.2

1. 7th Preambular paragraph: Delete and replace by second preambular paragraph of A.I.2 (UNCTAD I).

2. Operative paragraph 1: Delete and replace by:

"Recognizes that special treatment, where appropriate according to criteria which may be adopted by the United Nations for the classification of the least-developed among the developing countries, should be accorded to land-locked developing countries."

3. Operative paragraph 2: Delete the first five lines and replace by:

"2. Recognizes that the Governments of the developed countries in their financial and technical assistance programmes in the field of transport and communications, should accord appropriate attention to the special needs of land-locked developing countries in extending adequate financial and technical assistance to projects designed for the development and" ... /continue "improvement etc./

The following to be new operative paragraph:

"2a. Further recommends that the appropriate international financial organizations be invited to give similar attention to the matters mentioned in the preceding paragraph."

4. Operative paragraph 4: Delete.

5. Operative paragraph 6: Delete and replace by:

"Recommends that the governments of states members of UNCTAD invite liner conferences and equivalent organizations, directly or through the shipowners members of them, and likewise insurance companies, to bear in mind in forming their respective tariff policies, the special problems of land-locked developing countries."

6. Operative paragraph 10: Delete sub-paragraph (c).

7. Operative paragraph 11: Delete and replace by:

"Recommends that the Committee for Invisibles and Financing related to Trade give regular study to the special questions relating to the trade and development of the land-locked developing countries, consider the studies and report referred to in paragraph 8(a) above and prepare recommendations as to appropriate further action."

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Austria, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America: sub-amendment to the amendments submitted by Chile, India, Iran, Italy, Pakistan and Thailand (TD/II/WG.III/L.6) to the draft resolution contained in document TD/II/WG.III/L.5

Amendment 16: /Operative paragraph 10: "Requests"/

Replace sub-paragraphs (a) and (c) by:

"(a) The Secretary-General of UNCTAD, in consultation with the Under Secretary-General of the United Nations in charge of Economic and Social Affairs, to establish a group of experts to carry out a comprehensive examination of, and to report upon, the special problems involved in the promotion of trade and economic development of the land-locked developing countries; special study to be made in this examination of the transport problems, and their effect upon the execution of the development and trade expansion programmes of these countries, drawing fully upon the experience and competence in this field of other appropriate bodies, in particular the Department of Economic and Social Affairs, and upon relevant work already carried out by the regional economic commissions; the report of this expert group should describe the experience so far gained in the solution of the above-mentioned problems and outline further practical measures and procedures, for presentation to the Trade and Development Board for consideration and appropriate action."

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Amendments by Czechoslovakia, Hungary, to the draft resolution contained in document TD/II/WG.III/L.5 and in Conf. Room Paper 2

Divide the text of the draft resolution (TD/II/WG.III/L.5) as reworded in Conference Room Paper 2 into two parts.

The first part of the draft resolution to read as follows:

I

"THE CONFERENCE,

Recalling the Principles relating to Transit Trade of Land-locked Countries which were adopted by the first session of UNCTAD (Final Act, Annex A.I.2),

Recalling that, on the basis of these Principles, the United Nations Conference on Transit Trade of Land-locked Countries adopted on 8 July 1965 the Convention on Transit Trade of Land-locked States,

Noting that the Convention entered into force on 9 June 1967 but so far has been ratified or acceded to by only two transit States having a sea-coast,

Noting further that the Convention is open for ratification or accession without any time limit,

Reaffirming that, for the promotion of the trade and economic development of the land-locked States, it is essential to provide facilities to enable them to overcome the effects of their land-locked position on their trade,

Recalling the Resolution 1028(XI) of the United Nations General Assembly:

1. Urges all States invited to become parties to the 1965 Convention on Transit Trade of Land-locked States to investigate the possibilities to ratify it or accede to it, and to make it effective at the earliest possible date."

The second part of the draft resolution to read as follows:

II

Recognizing that:

(a) the land-locked position of many developing countries affects the expansion of trade and economic development of these countries and may hamper them in taking advantage of some of the international measures envisaged to support the trade expansion and economic development of all developing countries,

(b) the special problems involved in the promotion of the trade and economic development of the land-locked developing countries, in particular the high cost of transportation due to distance from sea, the poor state of transport and communications and other factors inhibiting the execution of their trade expansion and economic development programmes, call for special attention and require special solutions,

Convinced that the international community, when embarking upon a comprehensive policy of co-operation for development, should pay due attention to the above-mentioned special problems of the land-locked developing countries,

Noting that, within the framework of some United Nations regional economic commissions and some regional and sub-regional economic groupings of developing countries, studies of certain important aspects of the special problems of the land-locked developing countries of the regions or sub-regions concerned have been initiated with a view to contributing to their solution,

[Operative paragraphs 1 - 9 as in the Conference Room Paper 2, subject to amendments to those paragraphs on which no agreement was yet reached.]

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DRAFT REPORT OF WORKING GROUP III

Rapporteur: Mr. A.S. MOHALE (Lesotho)

1. At its 58th plenary meeting on 14 February 1968, the Conference established Working Group III to consider and report on sub-item 9(g) "Special problems of the land-locked countries."

2. At its 62nd plenary meeting on 16 February, the Conference designated the following countries as members of the Working Group: Afghanistan, Argentina, Austria, Bolivia, Brazil, Bulgaria, Chad, Chile, Congo (Brazzaville), Czechoslovakia, Federal Republic of Germany, Holy See, Hungary, India, Iran, Italy, Laos, Lesotho, Luxembourg, Mali Mexico, Nepal, Pakistan, Peru, Senegal, Sweden, Switzerland, Thailand, Turkey, United Kingdom, United States of America, Union of Soviet Socialist Republics, Upper Volta, Zambia, it being understood that participation in the Working Group would be open to the representative of any country member of UNCTAD interested in the Working Group's deliberations.

3. Working Group III held .... meetings from 28 February to ..... March 1968.

4. At its first meeting held on 28 February 1968, the Working Group elected Mr. Mohammad Ali Aghassi (Iran) as its Chairman; Mr. Vladislav Pavera (Czechoslovakia) as Vice-Chairman, and Mr. Albert S. Mohale (Lesotho) as Rapporteur.

5. The Chairman of the Working Group, in his opening statement (TD/II/WG.III/L.3) gave a brief history of the international discussions and negotiations on the subject and explained the background of the special problems of the land-locked countries. He drew attention to the documents before the Working Group (See Annex.....) and proposed that the Group should identify the problems hampering the promotion of trade and economic development of the land-locked countries, consider measures designed to overcome the difficulties involved, and formulate conclusions and recommendations for submission to the Conference. The Working Group decided to concentrate on the recommendations to be made to the Conference.

6. The representatives of the land-locked developing countries stressed that the land-locked position of these countries, in particular because of the high costs of transportation, the poor development of their infrastructure and other special problems, such as inadequate and inconvenient transport, storage and port facilities; the lack of opportunity to use their own transport equipment and to establish their own transport facilities; the existence of export and import licensing affecting their transit trade and the unfavourable trend of transport tariffs and charges, was a factor seriously inhibiting the expansion of their trade and economic development and hampering them in their efforts to take advantage of the international measures envisaged to promote the trade and development of all developing countries. They emphasized that the solution of their special problems required special measures to be taken in their favour in the context of a global strategy of development, such as effective recognition and facilitation of their free access to the sea; application of special measures in their favour along the lines of those accorded to the least advanced among the developing countries; priority attention to their financial and technical assistance needs, including the granting of soft term and interest-free loans and the creation of a special fund designed to subsidize their additional transport costs; and the undertaking of studies covering, inter alia, the feasibility of through rates, roll-on and roll-off facilities and a comprehensive report identifying their most important special problems.

7. Representatives of the developing transit countries, while reserving their position on matters relating to transit facilities, such as export and import licensing, transport tariffs and charges, and establishment of transport and equipment facilities by land-locked developing countries in the transit States, recognized that land-locked developing countries suffered from certain disabilities because of their distance from the sea. They pointed out that the problems in respect of various land-locked developing countries, while having some common features, required solutions on a bilateral basis in the context of the circumstances pertaining to each particular case. They supported the request of the land-locked developing countries for special attention by the international financing agencies to their needs in financial and technical assistance programmes in the field of transport and communications.

8. Representatives of the developed market economy countries also recognized that land-locked developing countries faced special problems in their trade promotion and economic development and stressed that the development of harmonious bilateral relationships between these countries and the transit countries concerned was a basic necessity in the solution of these problems. They considered that in many cases land-locked countries ranked amongst the least-developed countries and merited appropriate treatment on that score. It was explained that in the matter of technical assistance the land-locked factor was taken into account in assessing the development problems and potential of particular countries together with the level and direction of possible aid. With regard to further study of the problems of the land-locked developing countries it was suggested that, as most of the problems faced by land-locked developing countries - as distinct from other countries at a comparable stage of development - related to inland transport, full use should be made of studies already available in that field and also of the expert knowledge available in various United Nations bodies. It was important that further studies should not duplicate or overlap work to be done on the problems of the least-developed countries. The representative of one developed market economy country, in responding to the request of a land-locked developing country, stated that his country would be willing to co-operate by having a study carried out based on its experience as a land-locked country. The representatives of two developed market economy countries stated that their countries were actively working towards ratification of the Convention on Transit Trade of Land-locked States and pointed out the importance of the Convention for the entire world community.

9. The socialist countries [of Eastern Europe] also pointed out the importance of the problems under discussion. The representative of one socialist transit country [of Eastern Europe] stressed that the volume of his country's trade with land-locked countries had increased during recent years and gave examples of the measures undertaken by his country for better transportation of the goods of land-locked countries. The representative of a land-locked socialist country [of Eastern Europe] explained the ways and means used for the solution of its analogous problems and offered assistance and co-operation with the UNCTAD secretariat and other United Nations bodies through exchange of experience. He also considered that the second Conference should invite all States, and in particular all transit States, to ratify the 1965 Convention on Transit Trade of Land-locked States.

10. Some delegations recalled that the first session of UNCTAD in 1964 had adopted without dissent the Principles relating to Transit Trade of Land-locked Countries (Final Act, Annex A.I.2.) on the basis of which the United Nations Conference on Transit Trade of Land-locked Countries had adopted the Convention on Transit Trade of Land-locked States on 8 July 1965. The representatives of some transit countries pointed out that these principles were included in the preamble to the Convention, that they were inter-related and that each principle should be construed in the context of the other principles. It was noted that the Convention had entered into force on 9 June 1967, but that so far only two transit States having a sea-coast had ratified or acceded to the Convention.

11. The representatives of some coastal countries informed the Working Group of the intention of their Governments to ratify the Convention after completion of the necessary legislative procedures; the representatives of some other countries - both transit and land-locked - referred to the conclusion of bilateral transit agreements and expressed reservations with respect to certain provisions of the Convention.

12. Some land-locked countries urged that all countries considering ratifying or acceding to the Convention should be encouraged to do so as soon as possible, and thus give the Convention the broadest possible effect at an early date.

13. After the conclusion of the general debate, an informal group of the land-locked developing countries consisting of Afghanistan, Bolivia, Chad, Laos, Lesotho, Mali, Nepal, Upper Volta and Zambia, under the chairmanship of Mr. J. Arteaga (Bolivia) prepared and submitted a draft resolution (TD/II/WG.III/L.5) which was discussed by an informal group of interested transit countries, consisting of Chile, India, Iran, Italy, Pakistan and Thailand, under the chairmanship of Mr. M.U. Ahmed (Pakistan). The latter prepared counter-proposals (TD/II/WG.III/L.6) and the two informal groups met under the chairmanship of Mr. Remperto C. Rico (Bolivia). The representative of Italy reserved his position on operative paragraph 4 (TD/II/WG.III/L.6). These informal discussions led to agreement on a number of issues. The remaining differences between the two groups were set forth in a document (TD/II/WG.III/...).

After the above mentioned consultations the representatives of the land-locked developing countries met with an informal group of interested developed market economic countries consisting of representatives of Austria, Switzerland, United Kingdom, United States of America to discuss TD/II/WG.III/L.5 and the amendments proposed by the interested transit countries in TD/II/WG.III/L.6. The developed market economic countries presented their counter proposals in TD/II/WG.III/L.7 and L.8. Agreement was reached on all points except operative paragraphs 1 and 11, where exact language had not yet been decided by the land-locked developing countries. The representative of Czechoslovakia on behalf of the socialist countries [of Eastern Europe] presented a number of amendments to documents TD/II/WG.III/L.5 and L.6. Subsequently the delegations of Czechoslovakia and Hungary circulated these amendments as document TD/II/WG.III/L.9.

14. For the purpose of drafting the report of the Working Group to the plenary Conference the Rapporteur was assisted by a group of "friends" designated by various groups of countries.

15. The Committee considered the draft of its report to the plenary Conference at its ..... meeting on ..... and adopted its report unanimously.

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DRAFT REPORT OF WORKING GROUP III

Rapporteur: Mr. A.S. MOHALE (Lesotho)

ANNEX

List of documents prepared for and during the deliberations of the Working Group III

TD/17	Special measures to be taken in favour of the least developed among the developing countries
TD/38	Charter of Algiers
TD/TRANSIT/9 and Corr.1	Convention on Transit Trade of Land-Locked States
TD/TRANSIT/10	Final Act of the United Nations Conference on Transit Trade of Land-Locked Countries
TD/II/WG.III/L.1	List of documents relevant to the work of the Working Group III
TD/II/WG.III/L.2	State of Ratifications of the Convention on Transit Trade of Land-Locked Countries, 1965
TD/II/WG.III/L.3 and Corr.1	Statement of the Chairman of the Working Group III, Mr. Mohammad Ali Aghassi (Iran) at the first meeting of the Working Group held on 28 February 1968
TD/II/WG.III/L.4/ Rev.1	Proposals of the delegation of Bolivia
TD/II/WG.III/L.5	Draft resolution submitted by Afghanistan, Bolivia, Chad, Laos, Lesotho, Mali, Nepal, Upper Volta, Zambia
TD/II/WG.III/L.6	Draft amendments by Chile, India, Iran, Italy, Pakistan, Thailand to the draft resolution contained in document TD/II/WG.III/L.5

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TD/II/WG.III/L.7	Special problems of the Land-Locked countries - Austria, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America: amendments to the draft resolution contained in document TD/II/WG.III/L.5
TD/II/WG.III/L.8	Special Problems of the Land-Locked countries - Austria, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America: sub-amendment to the amendments submitted by Chile, India, Iran, Italy, Pakistan and Thailand (TD/II/WG.III/L.6) to the draft resolution contained in document TD/II/WG.III/L.5
TD/II/WG.III/L.9	Special Problems of the Land-Locked countries - Amendments by Czechoslovakia and Hungary to the draft resolution contained in document TD/II/WG.III/L.5 and in Conf. Room Paper 2
TD/II/WG.III/L.10 and addenda	Draft report of Working Group III

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Text of draft resolution submitted by the Chairman of the Working Group

The following text of a draft resolution is the result of recent informal discussions that have taken place and is submitted to the Working Group by the Chairman.

The United Nations Conference on Trade and Development,

A.

Recalling the Principles relating to Transit Trade of Land-Locked Countries which were adopted by the first session of UNCTAD (Final Act, Annex A.I.2),

Recalling that, on the basis of these Principles, the United Nations Conference on Transit Trade of Land-Locked Countries adopted on 8 July 1965 the Convention on Transit Trade of Land-Locked States,

Noting that the Convention entered into force on 9 June 1967 but so far has been ratified or acceded to by only two transit States having a sea-coast,

Noting further that the Convention is open for ratification or accession without any time limit,

Considering that, for the promotion of the trade and economic development of the land-locked States, it is essential to provide facilities to enable them to overcome the effects of their land-locked position on their trade,

Recalling the Resolution 1028(XI) of the United Nations General Assembly:

1. Urges all States invited to become parties to the 1965 Convention on Transit Trade of Land-Locked States to investigate the possibilities to ratify it or accede to it and to make it effective at the earliest possible date.

B.

Recognizing that:

(a) the land-locked position of many developing countries affects the expansion of trade and economic development of these countries and may hamper them in taking advantage of some of the international measures envisaged to support the trade expansion and economic development of all developing countries,

(b) the special problems involved in the promotion of the trade and economic development of the land-locked developing countries, in particular the high cost of transportation due to distance from sea, the poor state of transport and communications and other factors inhibiting the execution of their trade expansion and economic development programmes, call for special attention and require special solutions,

Convinced that the international community, when embarking upon a comprehensive policy of co-operation for development, should pay due attention to the above-mentioned special problems of the land-locked developing countries,

Noting that, within the framework of some United Nations regional economic commissions and some regional and sub-regional economic groupings of developing countries, studies of certain important aspects of the special problems of the land-locked developing countries of the regions or sub-regions concerned have been initiated with a view to contributing to their solution,

/1. Recognizes that the land-locked developing countries, in view of their special problems mentioned in the preamble of this resolution, deserve the same special treatment as that to be accorded to the least developed among the developing countries;/ [1/]

/1. Recommends that, in the further examination of possible criteria for the classification of the least-developed countries, appropriate consideration should be given to the relevance of the land-locked factor to the degree of development of the countries concerned in respect of the measures under consideration;/ [1/]

1/ Alternative texts are shown here in view of the fact that no agreement was reached on this paragraph in the informal discussions.

2. Recommends that the Governments of the developed countries in their financial and technical assistance programmes in the field of transport and communications, should accord appropriate attention to the special needs of land-locked developing countries in extending adequate financial and technical assistance to projects designed for the development and improvement of transport and communications infrastructure needed by these countries, in particular of the transport modes and facilities most convenient to them and mutually acceptable to the transit and the land-locked developing countries concerned, including joint projects concluded by common agreement with the transit States concerned for the establishment, expansion and/or improvement of transport and communications facilities serving the transit trade of the land-locked countries;

3. Further recommends that the appropriate international financial organizations be invited to give similar attention among their priorities to the matters mentioned in the preceding paragraph;

4. Calls on transit countries to extend their fullest possible co-operation to the formulation and execution of the projects mentioned in the preceding paragraphs;

5. Recommends that the land-locked developing countries and the transit countries should enter into consultations and negotiations, whether bilaterally or on a regional or sub-regional basis, with a view to examining jointly the special difficulties which the land-locked developing countries face in the promotion of their trade and economic development, and concluding agreements designed to overcome such difficulties in accordance with the nature of each particular case paying special attention to the facilities requested by the land-locked countries for their transit trade;

6. Further recommends that the Governments of the developed countries be invited to bear in mind, in their assistance programmes or through the international organizations concerned, the possibility of extending loans on favourable terms:

(a) to the land-locked developing countries for the development of transport and communication facilities designed to help the latter to overcome the special difficulties of their land-locked position;

(b) to the developing land-locked and transit countries for the development of transport and communication facilities referred to in paragraph 2 above designed to help the developing countries concerned to overcome the special difficulties of the land-locked position.

7. Recommends that the governments of States members of UNCTAD invite liner conferences and equivalent organizations, directly or through the shipowners members of them, and likewise insurance companies, to bear in mind in forming their respective tariff policies, the special problems of land-locked developing countries.

8. Calls on the developed land-locked countries, through the exchange of information, experience, training and technical know-how, to lend, upon request, directly or through the other appropriate UN bodies, special assistance to the land-locked developing countries in outlining suitable solutions to the special problems of the latter;

9. Invites the regional economic commissions concerned with the developing regions and the regional and sub-regional economic groupings of the developing countries to pay special attention in their work programmes to the special problems in the field of the trade expansion and economic development of the land-locked countries - members of such regional economic commissions and regional or sub-regional economic groupings, and to give special consideration to the need of greater participation of such land-locked developing countries in regional and international trade,

10. Requests:

(a) The Secretary-General of UNCTAD, in consultation with the Under Secretary-General of the United Nations in charge of Economic and Social Affairs, to establish a group of experts to carry out a comprehensive examination of, and to report upon, the special problems involved in the promotion of trade and economic development of the land-locked developing countries; special study to be made in this examination of the transport problems, outlining possible ways by which the adverse effects of higher transportation costs on the trade position, production costs and execution of economic development programmes of the land-locked developing countries might be minimized; the background material to be prepared for the examination by the group of experts shall draw fully upon the experience and competence in this field of other appropriate UN bodies, in particular the Department of Economic and Social Affairs and the regional economic commissions; the report of this expert group should describe the experience so far gained in the solution of the above mentioned problems and outline further practical measures and procedures for presentation to the Trade and Development Board for consideration and appropriate action,

(b) the States members of UNCTAD, the regional economic commissions, the specialized agencies concerned, the economic groupings of the developing countries and other international organizations dealing with the subject to co-operate with the Secretary-General of UNCTAD by providing to the extent possible, information relevant to the preparation of the studies and reports mentioned in this paragraph,

(c) the Secretary-General of UNCTAD to follow the progress made in giving effect to the recommendations made in this resolution and to report thereon in hi annual reviews of international trade and economic development to be prepared in pursuance of the Trade and Development Board's resolution 19(II).

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SPECIAL PROBLEMS OF THE LAND-LOCKED COUNTRIES

Financial implications of the draft resolution submitted by the Chairman of the Working Group (TD/II/WG.III/L.11)

Note by the UNCTAD secretariat

1. Paragraph 10(a) requests the Secretary-General of UNCTAD, in consultation with the Under-Secretary-General of the United Nations in charge of Economic and Social Affairs, to establish a group of experts to carry out a comprehensive examination of, and to report upon, the special problems of the land-locked developing countries. The work of experts is estimated to require 24 expert-weeks with travel and other expenses connected with their meetings in the total amount of $10,000.

2. Paragraph 10(a) further requires that special study should be made in this examination of the transport problems, outlining possible ways by which the adverse effects of higher transportation costs on the trade position, production costs and execution of economic development programmes of the land-locked developing countries might be minimized; the background material to be prepared for the examination by the group of experts shall draw fully upon the experience and competence in this field of other appropriate UN bodies, in particular the Department of Economic and Social Affairs and the regional economic commissions; the report of this expert group should describe the experience so far gained in the solution of the above mentioned problems and outline further practical measures and procedures. The maritime and port component of the background material to be prepared for the examination by the group of experts will require 6 man-months work of a professional at P.4/P.5 level amounting to $10,000 plus travel of $3,000.

3. Paragraph 10(a) finally requests that the background material to be prepared should draw fully upon the experience and competence in this field of other appropriate bodies, in particular the Department of Economic and Social Affairs. The above estimate does not include any additional expenditure in so far as it would be required by the Department of Economic and Social Affairs.